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UNITED STATES GOVERNMENT  
**memorandum**

DATE: February 10, 1999

REPLY TO

ATTN OF: Jake E. Jennings *JEJ*  
Policy & Program Planning Division  
Common Carrier Bureau  
1919 M Street., NW  
Washington, DC 20554

SUBJECT: CC Docket No. 97-121, 97-137, 97-208, and 98-121

TO: Ms. Magalie Roman Salas  
445 12 St., SW, Room TWB-204  
Washington, DC 20554

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Please place the attached letter into the record of CC Docket 97-121, 97-137, 97-208, 97-231, and 98-121. If you require further information, please feel free to contact me at 202 418-1580. Thank you for your assistance.



Federal Communications Commission  
Washington, D.C. 20554

February 10, 1999

Mr. Sid Boren  
Executive Staff Officer  
BellSouth Corporation  
1155 Peachtree St., N.E., Room 2004  
Atlanta, GA 30309

Dear Mr. Boren:

On December 15, 1998, members of the Common Carrier Bureau Staff ("Bureau Staff") met with representatives of BellSouth to discuss interpretations of the Commission's October 13, 1998, BellSouth Louisiana II Order as it might be applied in other states in which section 271 applications might be filed.<sup>1</sup> A summary of the discussion is described below. The Bureau Staff indicated that additional information from BellSouth and interested parties would be useful in order for the Bureau Staff to engage in further discussion. The Bureau Staff also indicated that its views were based on information developed since the issuance of the BellSouth Louisiana II order. The Bureau Staff stated that its views on any of these issues were in no way binding on the Commission, and that no conclusive determination could be made outside the context of an actual Section 271 application and record.

**1. Flow-Through.**

Issue. Whether BellSouth can exclude complex orders from its flow-through calculations and what level of disaggregation of flow-through is necessary to demonstrate nondiscriminatory access.

Bureau Staff Response The Bureau Staff stated its view that, in principle, complex orders that are manually processed for BellSouth's retail customers could be excluded from flow-through calculations. The Bureau Staff also stated its view that, to the extent BellSouth excludes complex orders from its flow-through calculations, the following information should accompany a future Section 271 application: (1) a clear definition of complex orders for CLECs and BellSouth; (2) a demonstration of how BellSouth handles complex orders for its retail customers and CLECs; (3) evidence that complex orders are processed in a nondiscriminatory manner (i.e., performance results and analysis).

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<sup>1</sup> *Application of BellSouth Corporation, BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc., for Provision of In-region, InterLATA Services in Louisiana*, CC Docket No. 98-121, Memorandum Opinion and Order, FCC 98-271 (*BellSouth Louisiana II 271 Order*).

The Bureau Staff also stated its view that BellSouth could exclude from its flow-through calculation orders submitted by CLECs that contained CLEC-caused errors. The Bureau Staff stated its view that the flow-through calculation could be adjusted to exclude CLEC errors, if, in a future Section 271 application, BellSouth (1) defines more clearly what constitutes a CLEC error; and (2) verifies the cause of the errors as being CLEC errors (e.g., through an independent audit).

In response to questions about the appropriate level of disaggregation the Bureau Staff indicated its view that the proposed levels of disaggregation listed in the *OSS Model Rules NPRM*<sup>2</sup> were appropriate.

## 2. TAFI Integration

Issue. (1) Whether BellSouth must provide a machine-to-machine repair and maintenance interface in order to meet the nondiscrimination requirement. (2) Absent a machine-to-machine repair and maintenance interface, what evidence is necessary to demonstrate nondiscriminatory access.

Bureau Staff Response The Bureau Staff stated its view that it did not believe that machine-to-machine repair and maintenance interface is *per se* required. The Bureau Staff noted that the Louisiana II Order found that a lack of machine-to-machine interface for repair and maintenance was not *per se* discriminatory. The Bureau Staff stated its view that, absent a machine-to-machine repair and maintenance interface, BellSouth must demonstrate that the interfaces offered to CLECs provide nondiscriminatory access. The Bureau Staff also stated that additional information was needed to assess the competitive impact that results from a lack of a machine-to-machine interface for repair and maintenance. In order to obtain such information, the Bureau Staff indicated that it would schedule additional meetings with interested parties.

The Bureau Staff stated its view that the following information would assist in evaluating in a future application whether BellSouth's repair and maintenance interface provide nondiscriminatory access: (1) a detailed description of the systems and functionality BellSouth utilizes itself for both designed and nondesigned services; (2) a detailed description of the systems and functionality BellSouth offers to competing carriers; (3) a discussion of what interface functionality competing carriers have requested through the change control process and the status of such request, if any; and (4) performance results for resold services and UNEs by interface type.

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<sup>2</sup> See *Performance Measurements and Reporting Requirements for Operations Support Systems, Interconnection, and Operator Services and Directory Assistance*, CC Docket No. 98-56, Notice of Proposed Rulemaking, 13 FCC Rcd 12817 (1998).

### **3. Retail Analogues/Performance Standards/Statistical Measurements.**

Issue. Methods of evaluating whether BellSouth's OSS performance meets the nondiscrimination requirement.

Bureau Staff Response The Bureau Staff asked BellSouth to propose a framework for evaluating whether it is providing nondiscriminatory access to OSS functions and suggested that BellSouth include the following criteria:

- Relevant performance measurements;
- Identification of retail analogues, including level of disaggregation;
- Identification of a benchmark or performance standard where no retail analogue exists (e.g., based on state approved intervals, engineering studies, or other standards);
- A statistical methodology which is used to compare actual performance results to retail analogues or benchmarks;
- A threshold for determining whether differences in performance are competitively significant and whether analysis of the underlying cause for the difference is needed;
- An open process for analyzing the underlying cause for differences of performance;
- Meaningful penalty amounts to prevent "backsliding."

The Bureau Staff also indicated that it would seek industry comment of any framework for evaluating OSS performance proposed by BellSouth.

### **4. Complex Ordering/Partial Migration Orders.**

Issue. Whether partial migration and directory listing need to be ordered electronically.

Bureau Staff Response The Bureau Staff stated its view that there is no retail analog for partial migration orders, and that electronic ordering capability is not required at this time. The Bureau Staff stated its view that BellSouth must demonstrate that the ordering process for complex/partial migration orders meets the nondiscrimination requirement (e.g., provides an efficient competitor a meaningful opportunity to compete). The Bureau Staff also stated its

view that BellSouth should continue upgrading its OSS ordering interface through the change control process.

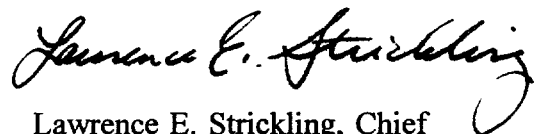
**5. Third-Party Testing -- Demonstration of Operational Readiness.**

Issue. In cases where there is little or no commercial usage of an interface, whether BellSouth must engage in third-party testing at the level implemented by Bell Atlantic in New York .

Bureau Staff Response The Bureau Staff noted that, in its view, internal testing cannot overcome evidence from commercial usage demonstrating inferior service to CLECs. The Bureau Staff stated its view that, where there is no commercial usage or inconclusive commercial usage exists, some form of testing is necessary to demonstrate that the BOC's OSS is operationally ready. The Bureau Staff indicated its view that, while it could not conclude, in the absence of a factual record, whether some forms of internal testing or carrier to carrier testing could demonstrate operational readiness, a third party test would serve as a reasonable "safe harbor." The Bureau Staff noted as two examples of such tests underway in New York and Texas. The Bureau Staff stressed the importance, in its view, of a test plan that included input from interested parties and includes meaningful independent review (e.g., State Commission oversight).

For information purposes, a copy of this letter will be placed in all open section 271 dockets.

Sincerely,



Lawrence E. Strickling, Chief  
Common Carrier Bureau  
Federal Communications Commission

cc: Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission